

# RESPONSE TO REQUEST FOR PROPOSAL

CITY OF COSTA MESA

Third Party Liability Claims Administration

October 18, 2012

Presented By:

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*Associates*

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October 18, 2012

Ms. Kimberly Wilson  
City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626

**Re: RFP for Third Party Liability Claims Administration**

Dear Ms. Wilson,

Thank you for allowing Keenan & Associates the opportunity to participate in the City of Costa Mesa's RFP process for Third Party Liability Claims Administration. We are pleased to be able to present our proposal in accordance with the received RFP and believe that our firm will be able to provide the best value added services to you not just in the administration of your claims but also in managing efficiency.

Founded in 1972, Keenan & Associates has 40 years of experience in property and liability claim administration for public agencies (i.e., municipalities, community colleges, public school districts and special districts) of similar size and complexity as the City of Costa Mesa. Statewide, we provide casualty administration services to more than 100 public sector entities including 65 trusts and joint power authorities (JPA) programs.

With Keenan & Associates as your TPA Partner, we will provide proactive claims management, resources and assistance. Resources will include our most experienced municipal Claims Adjuster who will be dedicated to the City's account and a Claims Manager to assist with many aspects of claims handling, including best practices and the most cost effective claims resolution. We will extend significant resources to you to help manage your claims exposures and contain costs.

We provide our clients with Administrative, Adjustment and Investigative Services.

**ADMINISTRATIVE SERVICES:**

- Monthly status reports on all active claims, indicating the open or closed status of each reported claim assigned to Keenan, the details of each claims, the payments during the month and the reserve status.
- Establish/maintain a trust account from which claims are paid, at the City's request.
- Provide for the payment of claim losses and expenses according to the agreed guidelines.



#### ADJUSTMENT SERVICES:

- Periodic review and adjustments of reserves on all open Claims.
- With the City's authority, investigate, evaluate and adjust all Claims by a covered party.
- Notification to primary and excess coverage providers of all Claims. Seek reimbursements for loss in excess of retention or deductible.
- Pursue and direct subrogation/third-party recovery against any party responsible or partially responsible for loss.
- Recommendation of rejection of claims when appropriate.
- Obtain Release Agreements in connection with the settlement of claims.

#### INVESTIGATIVE SERVICES:

- Review all reported claims.
- Initiate investigation through in-house review of claims when warranted or when requested by client.
- Provide a report to client with the findings of such investigation and information regarding any potential for subrogation/third-party recovery.

We look forward to having the opportunity to meet with the selection committee to discuss the specific details contained in our proposal, which is valid for 90 days from the proposal due date of October 18, 2012.

If you have any questions regarding our proposal, please feel free to contact [REDACTED] Senior Vice President, at [REDACTED] or via e-mail at [REDACTED] or [REDACTED] Vice President, at [REDACTED] or via e-mail at [REDACTED]. As Vice President, I am authorized to bind Keenan & Associates to a contract.

Respectfully submitted,

[REDACTED]  
Vice President

*Keenan*  
Associates

INSERT APPENDIX A PAGE 1

INSERT APPENDIX A PAGE 2

# PROPOSAL REQUIRED RESPONSES

## BACKGROUND AND PROJECT SUMMARY

*The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished.*

Keenan's Property & Liability Claims Administration is a full-service, multi-faceted, Third Party Administrator (TPA). Our specialized work with public entities gives us a thorough working knowledge of all California Government Code provisions affecting your program. Our seasoned claims professionals have extensive experience with California municipalities and special districts, police, fire, transit and utility services.

Keenan has extensive experience providing property and casualty claims administration services to 100 public agency clients throughout California. We handle claims from first dollar up through various reinsurance and excess layers and have been successful in establishing positive and professional relationships with both reinsurers and excess carrier partners. We retain full responsibility through to final resolution always keeping the client's and carrier partner's best interest in mind.

Keenan's approach to Third Party Administration mirrors that of the City of Costa Mesa. Our goal is to offer a quality claims delivery program that emphasizes communication with both the client and the claimants, reduces litigation and controls costs. Keenan integrates Liability Claims Administration services to effectively and efficiently address public agency risk management and insurance needs. As an industry specialist, we provide focused, relevant information, leading to fast, effective problem solving and enhanced budget performance.

It is the philosophy of Keenan to provide our clients with the highest level of service and the best attainable result in the handling of claims. We believe that each claim is unique, requiring careful analysis of all facts to develop a cost effective strategy for resolution. We will work closely together with the City representative, attorneys and other vendors to achieve the most favorable outcomes. Our aggressive claims handling enables us to be very successful in obtaining numerous defense verdicts and summary judgments.

Our integrated approach gives our clients the optimum balance of prevention, risk retention, rapid claims resolution and cost savings. Our teams are coordinated and work together to provide you with improved performance, reduced administration, and enhanced business efficiency to accommodate all tasks specified in the Scope of Work provided in this RFP.

## CLAIMS SERVICE ADVANTAGE

- **Partnership:** Critical aspects of our service include interaction involving you in the decision making process of your claims.

- **Our Niche:** We exclusively manage public sector property and liability claims. We have dedicated adjusters who have years of handling claims for cities, counties and special districts and interface with legal defense firms that have specialized municipality expertise.
- **Catastrophe Action Plan:** Mandates that when disasters or serious losses occur that our claims people have immediate involvement to arrange for a specialized investigation to preserve evidence.
- **Customer First:** Our passion to provide superior service drives us to understand each client's need.
- **High touch, High quality:** Our dedicated experienced staff does not treat a claim as just another loss, but as a situation which must be aggressively handled to provide the most beneficial resolution to the *client's* interest.
- **Corporate Best Practices:** We effectively communicate our policies and operational goals to our internal and external strategic business units.
- **Dedicated Service Team:** To ensure you receive quality support.

#### OUR SERVICES AT A GLANCE

Our experienced Claims Team empowered to meet your needs	Commitment to customer service	Medicare Set-Aside Experts
Application of Government Code	Court Appearances	Proactive Field Investigation
Experience with the public risk, police, fire, transit and utilities services environment	Trust Account Management	Investigations to preserve essential evidence
24-7 Emergency Hot Line Service	Computerized Loss Runs	Attendance / Presentations at JPA Meetings
Excess/Reinsurance Program Management	Prepare and file reports with the Index Bureau	Ongoing adjuster training
Litigation Management	Third Party Carrier Liaison	Internal quality assurance audit team

## CLAIM HANDLING GUIDELINES

Once the City of Costa Mesa's appointed administrator notifies Keenan's claims manager of a potential claim via correspondence or by phone, Keenan will initiate and follow the following process:

➤ File Set Up Procedures and Core Claims Services

1. In the initial set up process, the manager will request additional documentation relevant to each loss from the City as needed.
2. The manager assigns the new loss to the designated adjuster.
3. Each new claim is set up within 24 hours of the initial notification.
4. An acknowledgement letter is submitted to the City within 24 hours of receipt of the claim.
5. The adjuster will contact with the City of Costa Mesa within 48 business hours of receiving the claim file.
6. The adjuster will discuss the plan of action directly with the City of Costa Mesa's appointed administrator to include the investigation of the claim.
7. Throughout the life of the claim, the adjuster will make the appropriate contact with the third parties involved.
8. Should a claim become litigated, the adjuster will work closely with the City of Costa Mesa's appointed administrator and/or legal counsel.
9. All settlement recommendations are submitted to the City of Costa Mesa for a signed authorization. Once the adjuster has secured the signed approval, negotiations begin.
10. If awarded this contract, Keenan can establish and manage the City's trust account should the City request one.
11. The adjuster will make initial contact with the claimant and provide information regarding the claims process.
12. Files are maintained on a regular diary in accordance to the status of the claim file.
13. Periodic status reports will be forwarded to the City of Costa Mesa as necessary.
14. Adjuster will provide the City of Costa Mesa with a recommended plan of action for claims handling.

15. All recommendations including settlements, rejections, or claim strategies are submitted to the City of Costa Mesa for review and authorization.

## METHODOLOGY

*Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:*

- 1) *An implementation plan that describes in detail (i) the methods, including controls by which your firm or entity manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.*

Our sample implementation plan is included in **Exhibit 1**.

- 2) *Detailed description of efforts your firm or entity will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.*

Please see our detailed response to the Background and Project Summary section.

- 3) *Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.*

Our sample implementation plan is included in **Exhibit 1**.

- 4) *Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.*

We anticipate working closely with City staff in the third party liability claims administration process including frequent meaningful communication throughout the life of the claim. This includes but is not limited to prompt claim reporting, discussions surrounding the details of the claim, investigation and claims resolution strategies. We understand that this communication may extend beyond finance, risk management and human resources. We strive to create working relationships throughout the agency to ensure that, as your administrator, we capture all of the pertinent information conducive to logical claim resolution.

- 5) *Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.*



As an added value to our claims administration expertise and product offering, Keenan provides **P&C Bridge**, a Web based portal that will enable the City of Costa Mesa to bridge compliance, training, communication, analysis and Risk Management in one secure platform.

Following is an overview of **P&C Bridge**, our cutting edge technology offered exclusively to our Property & Casualty clients.

This innovated Web-based product, already in use by other public entities, provides:

- A customizable home page with current news, claims dashboards, safety tips and insurance updates.
- A "cost of risk" section that allows you, on one page, to monitor and manage claims within your self-insured retention (SIR).
- General Liability reports and analytic section allows detailed reports to be run, in real time, on demand.
- Ad hoc reporting in P&C Bridge allows users to create multidimensional views of claim data, providing a means to pinpoint types of losses by location or exposure, to allow for immediate action to prevent future losses.
- Keenan U training offering on-line courses in subjects such as claim prevention, risk management, claim reporting and many others.

#### **KEENAN ONLINE U – WEB BASED ON-LINE TRAINING**

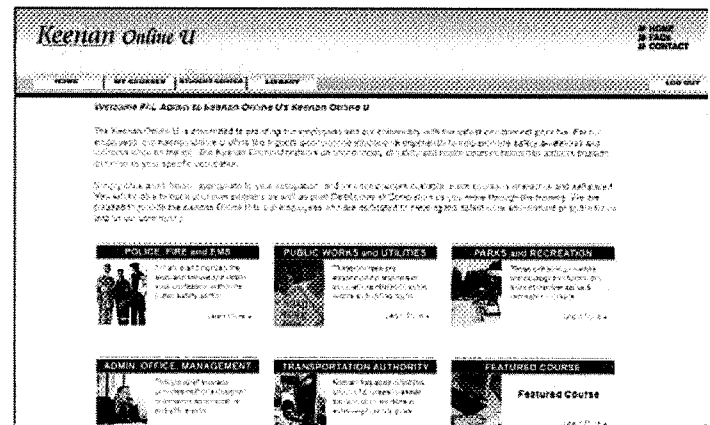
Public Entity resources are becoming more scarce and limited with the current economic conditions still facing the State. Almost every public entity is trying to do more with less. **Keenan Online U** is an online safety training and tracking system designed **specifically for public agency employees**. All courses are written by expert authors and are set in a public entity environment. More than 30 courses are currently available with more being added periodically. The courses are categorized in the following five workplace colleges:

- Police, Fire and EMS
- Public Works and Utilities
- Parks and Recreation
- Transportation Authority

- Administrative, Office, and Management

Online learning and safety training is a **cost effective alternative** to conventional live instructor training. Online training with Keenan Online U gives you **better compliance** and **less time away from the workplace** because employees take the courses at their own pace from their own computer.

- Keenan Online U training can provide substantial savings to the City as opposed to instructor led courses.
- Produces a 60-percent faster learning curve than instructor-led training alone
- All learners are taught the same consistent, correct information
- Achieves a high retention rate, making e-learning more valuable for employees
- Data management system allows entities and supervisors to monitor utilization and record completions in one convenient data base.
- Complements instructor-led training to reinforce important topics
- Relevant, engaging, timely courses are dynamic and consistently updated
- Allows learners to bookmark course in case of interruption
- Convenient, Secure Access to Safety and Compliance Courses



Keenan Online U reduces travel costs, time out of office, materials, and instructor costs. Online learning brings learning to people instead of people to learning. Employees can securely access Keenan Online U anytime, anywhere from any computer that connects to the Internet.

### Automated Assignment, Tracking and Record Management

Keenan Online U lets you assign courses to specific groups or individuals, and automatically tracks and reports on each learner as they complete their training assignments. Employees can print their own completion certificates, while the compliance records are automatically updated.

Screenshots of our recently enhanced **Keenan Online U** are included in **Exhibit 2**.

## STAFFING

*Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform and anticipated hours of service of each individual. Include a resume for each designated individual.*

### KEY PERSONNEL ASSIGNED TO THE CITY OF COSTA MESA

Key Personnel	Job Title / Functional Role
[REDACTED]	Vice President, Account Executive
[REDACTED]	Senior Vice President, Account Executive
[REDACTED]	Vice President, Property & Casualty
[REDACTED]	Claims Manager
[REDACTED]	Claims Adjuster, Liability

The key personnel indicated above will provide oversight and support for the Third Party Claims Administration services provided to the City of Costa Mesa. Each of these key personnel has extensive experience with public agencies.

Additional adjusters will be assigned to support the City, as required. We will work with the City to ensure that the number of support personnel provided by Keenan, allows for appropriate staffing levels throughout the course of the contract.

Should the City desire to explore the option of dedicated staff we are willing to work with the City to discuss specific terms for a dedicated staffing model.

#### [REDACTED] – Senior Vice President

[REDACTED] has over 40 years of experience in workers' compensation, both as a consultant and as the co-founder and president of third party administrator Colen and Lee (Adminsure). After 25 years he sold his interest in that firm, he became a Workers' Compensation Specialist for the law firm of Lister, Martin & Thompson, responsible for client relations, expert testimony, business development and retention, litigation file preparation, research, claim background investigation, lien trials and negotiations and appearances at the Workers' Compensation Appeals Board. He is also certified by the state of California as a Workers' Compensation Claims Administrator.

#### [REDACTED] – Vice President

[REDACTED] joined Keenan & Associates in 2009 as Vice President in the Property and Casualty Division. His career in risk management and insurance spans a period of over twenty years. Before joining Keenan, [REDACTED] industry experience included serving as the Regional Vice President of the Western region of ESIS Inc. a large insurance services firm and a subsidiary of ACE USA. [REDACTED] also held roles in management for Kemper Services, Broadspire, GAB Robins and Crawford & Company. In addition to

these leadership roles his experience includes the production and servicing of accounts, including public agencies, health care groups, hospitals, staffing and business service companies in the Fortune 1000. [REDACTED] attended the California State University and is currently pursuing his Chartered Property and Casualty Underwriter (CPCU).

**[REDACTED] – Vice President, Property Liability Claims Administration**

[REDACTED], Vice President Property & Casualty for Keenan & Associates in Torrance, CA, has overall responsibility for the claims administration of all Property & Liability Claims.

[REDACTED] joined Keenan & Associates in 2005 but started his 33-year career in the insurance industry working for Allstate. He has also worked at companies such as American Reserve, Farmers Insurance Group, G. J. Sullivan Company, Reinsurance and was an independent consultant for a number of years. Steve has experience in primary, excess and reinsurance claims, dealing mostly with large complex losses and reinsurance recovery. On a management level, [REDACTED] has managed multiple departments with responsibility for the development and implementation of new systems, policies and procedures.

[REDACTED] graduated from California State University, Long Beach with a Bachelor of Science degree and from California State University, Dominguez Hills with a Master's degree in Negotiation and Conflict Management.

**[REDACTED] – Assistant Vice President**

[REDACTED], Assistant Vice President/Branch Manager has more than 21 years of experience in the industry. [REDACTED] has been with Keenan & Associates for the last 14 years and has managed the day to day operations of the Torrance claims department for the last six years. Arlene has extensive experience in public entity claims and has experience in handling; employment liability, complex general liability, auto, property, and product liability as well as medical malpractice claims.

Prior to joining Keenan & Associates in 1998, she worked for Crawford and Company as a Senior Outside Claims Adjuster. She was responsible for national self-funded accounts. Arlene graduated from Mount St. Mary's College with a Bachelor of Arts Degree in Liberal Arts, and received her Master of Arts in Clinical Psychology at Pepperdine University. As Torrance's Claims Manager, Arlene administers and supervises the day-to-day activities of the branch claims operation and staff. She is also responsible for litigation management.

**[REDACTED] – Claims Adjuster, Liability**

[REDACTED] joined Keenan & Associates in 2006. She has more than 29 years of experience in the industry, with more than 13 years with self-funded companies (Von's, Ralph's and Thrifty Drug Store). She has experience in handling public liability claims which include first and third party auto claims. For the first ten years of her career she

worked for insurance companies handling third party commercial and personal auto claims as well as general liability claims (Harbor Insurance Co./Surplus Line Claims Adjusting Co., Home Insurance Co, INA/Aetna). [REDACTED] has an Associate of Arts degree from Los Angeles City College.

*Upon award and during the contract period, if the contractor chooses to assign different personnel to the project, the Contractor must submit their names and qualifications including information listed above to the City for approval before they begin work.*

Keenan understands and agrees to this stipulation.

#### QUALIFICATIONS

*The information requested in this section should describe the qualifications of the firm or entity and key staff performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:*

*Names of assigned personnel dedicated to the account and their specific responsibilities with respect to this scope of work. Please include an organizational chart that reflects the titles of key staff and management contacts of each individual assigned to provide services under this contract.*

Please see the staffing section. We have included an organizational chart in **Exhibit 3**.

*A summary of your firm's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.*

Please see the Background and Project Summary Section.

*Provide at least three references that received similar services from your firm. The City of Costa Mesa reserves the right to contact any of the organizations or individuals listed. Information provided shall include:*

- *Client Name*
- *Project Description*
- *Project start and end dates*
- *Client project manager name, telephone number, and e-mail address.*

Keenan provides numerous services to the clients listed below. We are proud to offer the City of Costa Mesa the following client references and encourage you to contact any of them and ask about our resources, responsiveness and results:

CITY OF PALM SPRINGS	
Point of Contact:	[REDACTED]
Address:	3200 Tahquitz Canyon Way PO Box 2743 Palm Springs, CA 92263-2743
Phone:	( [REDACTED] ) [REDACTED]

RIVERSIDE COUNTY OFFICE OF EDUCATION	
Point of Contact:	[REDACTED] Chief Personnel Officer Division of Personnel Services
Address:	PO Box 868 Riverside, CA 92502
Phone:	( [REDACTED] ) [REDACTED]

MOUNT SAN JACINTO COMMUNITY COLLEGE DISTRICT	
Point of Contact:	[REDACTED] Dean of Business Services
Address:	1499 North State Street San Jacinto, CA 92583
Phone:	( [REDACTED] ) [REDACTED]

#### FINANCIAL CAPACITY

*Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably formulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.*

Our most recent audited financial statement is included in **Exhibit 4**. There are no administrative proceedings, claims, lawsuits or other exposures pending against Keenan & Associates which would impact our ability to provide services to the City of Costa Mesa.

#### FEE PROPOSAL

*All Proposers are required to use the form in Appendix D to be submitted with their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Proposals shall be valid for a minimum of 90 days following submission.*

Our fee proposal is detailed in **Exhibit 5**. Please note we are able to provide translator services at an additional fee.

## DISCLOSURE

*Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. Any past or current business relationship may not disqualify the firm from consideration.*

Keenan has no past or current business and/or personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee.

## SAMPLE AGREEMENT

*The firm selected by the City will be required to execute a Professional Services Agreement (PSA) with the City. The form of the Agreement is enclosed as Appendix B, but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement. See Section 13, below.*

Keenan accepts the PSA as is and presents no proposed changes.

## EXHIBITS

Exhibit 1	Sample Implementation Plan
Exhibit 2	Keenan Online U Screenshots
Exhibit 3	Organizational Chart
Exhibit 4	Keenan Audited Financial Statement
Exhibit 5	Fee Proposal
Exhibit 6	Required Forms and Certifications

# EXHIBIT 1

## SAMPLE IMPLEMENTATION PLAN

## EXHIBIT 2

### KEENAN ONLINE U SCREENSHOTS

## EXHIBIT 3

### ORGANIZATIONAL CHART

**EXHIBIT 4**

**KEENAN AUDITED FINANCIAL STATEMENT  
CONFIDENTIAL**

# EXHIBIT 5

## FEE PROPOSAL

## EXHIBIT 6

### REQUIRED FORMS AND CERTIFICATIONS

- Ex Parte Communications Certification
- Disqualification Questionnaire
- Disclosure of Government Positions
- Addendum 1
- Addendum 2